

Message Text

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PAGE 01 BONN 04534 01 OF 02 141732Z
ACTION EUR-12

INFO OCT-01 EA-07 ISO-00 SP-02 USIA-06 AID-05 EB-08 NSC-05
TRSE-00 SS-15 STR-04 OMB-01 CEA-01 CIAE-00 COME-00
FRB-03 INR-07 NSAE-00 XMB-02 OPIC-03 LAB-04 SIL-01
L-03 H-01 PA-01 PRS-01 /093 W
-----141744Z 026269 /43

R 141720Z MAR 77
FM AMEMBASSY BONN
TO SECSTATE WASHDC 6468
INFO AMEMBASSY LONDON
AMEMBASSY PARIS
AMEMBASSY ROME
AMEMBASSY TOKYO
USMISSION EC BRUSSELS
USMISSION OECD PARIS
USMISSION USBERLIN
USMISSION NATO BRUSSELS
USNMR SHAPE
AMCONSUL FRANKFURT
AMCONSUL MUNICH
AMCONSUL BREMEN
AMCONSUL DUSSELDORF
AMCONSUL HAMBURG
AMCONSUL STUTTGART
CINC USAFE RAMSTEIN
CINC USAREUR HEIDELBERG
CINC EUR VAIHINGEN

LIMITED OFFICIAL USE SECTION 01 OF 02 BONN 04534

DEPARTMENT PASS TREASURY, FRB AND CEA

E.O. 11652: N/A
TAGS, EFIN, GW
SUBJECT: JANUARY INDUSTRIAL PRODUCTION UP
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PAGE 02 BONN 04534 01 OF 02 141732Z

1. AFTER MORE THAN A WEEK'S DELAY, THE GOVERNMENT HAS
FINALLY RELEASED THE SEASONALLY ADJUSTED INDUSTRIAL
PRODUCTION DATA FOR JANUARY AND LONG WITH IT, REVISED
FIGURES FOR SEVERAL MONTHS IN 1976. THE JANUARY
RESULTS ARE VERY ENCOURAGING IN THAT THEY SHOW THE INDEX
JUMPING TO 116, TWO POINTS ABOVE THE DECEMBER LEVEL.

A BETTER INDICATOR OF THE CURRENT TREND, THOUGH, IS TO COMPARE THE TWO MONTHS OF DECEMBER AND JANUARY WITH THAT OF THE PRODUCTION RESULTS FOR OCTOBER AND NOVEMBER. THIS COMPARISON REFLECTS A 5.3 PERCENT INCREASE AT AN ANNUAL RATE IN THE SEASONALLY ADJUSTED TERMS OF THIS SERIES.

2. THE RESULT OF THE REVISION OF THE DATA IN 1976 IS TO SMOOTH THE CURVE SOMEWHAT FROM THAT SUGGESTED BY THE PREVIOUSLY REPORTED DATA. THE GROWTH RATES FOR THE FIRST THROUGH THE FOURTH QUARTERS (S.A.A.R.) ARE 8.7, 7.3, 0.0 AND 7.2, RESPECTIVELY. THIS REPRESENTS A MODERATING OF THE GROWTH INDICATED IN THE EARLIER-PUBLISHED DATA IN THE SECOND AND FOURTH QUARTERS, WHILE THE FIRST AND SECOND QUARTERS ARE BOOSTED SLIGHTLY (SEE TABLE LAST PARAGRAPH).

3. WE WERE TOLD BY A MINISTRY OF ECONOMICS OFFICIAL THAT THE DELAY IN THE ISSUANCE OF THE INDUSTRIAL PRODUCTION STATISTICS WAS IN PART DUE TO HIS MINISTRY'S REFUSAL TO GO ALONG WITH THE FEDERAL STATISTICAL OFFICE DEMAND THAT THEIR REVISED SERIES BE PUBLISHED IN ITS NEW FORM. BEGINNING WITH 1977, THE FEDERAL STATISTICAL OFFICE EXPANDED THEIR SURVEY SLIGHTLY FROM THE PREVIOUS IN THAT HANDICRAFT INDUSTRIES WERE INCLUDED, WHEREAS BEFORE THEY WERE NOT. THE MINISTRY MAINTAINED THAT THIS WOULD MAKE THE DATA NOT COMPARABLE FOR ANALYTICAL PURPOSES AND, THEREFORE, OBJECTED TO ITS INCLUSION IN THE 1977 SERIES. LIMITED OFFICIAL USE

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PAGE 03 BONN 04534 01 OF 02 141732Z

AS A RESULT OF THEIR OBJECTION, THE JANUARY DATA WAS READJUSTED TO EXCLUDE HANDICRAFTS. THEREFORE, THE INDEX NUMBERS PUBLISHED AND INCLUDED IN THIS CABLE ARE COMPARABLE WITH ONE ANOTHER AND WILL CONTINUE TO BE SO THROUGH 1977. BEGINNING IN 1978, WE ARE TOLD, THE SERIES WILL REFLECT THE HANDICRAFT INDUSTRIAL PRODUCTION WITHIN TOTAL INDUSTRIAL PRODUCTION.

4. ON THE BASIS OF THE FOREGOING INFORMATION, WE WOULD TEND TO DISCOUNT THE MARCH LL BONN DATELINED AP DOW-JONES WIRE SERVICE STORY ON WEST GERMAN INDUSTRIAL PRODUCTION. SPECIFICALLY, THEIR STATEMENT THAT THE JANUARY INDEX NUMBER IS NOT COMPARABLE WITH PREVIOUS YEARS' FIGURES IS WRONG. FURTHERMORE, THEIR POINT THAT THE CONSTRUCTION INDUSTRY WAS NOT PREVIOUSLY INCLUDED IN THE SERIES IS ERRONEOUS. THERE WAS A BREAKOUT THAT EXCLUDED IT, BUT THE TOTAL INDUSTRIAL INCEX, WHICH WE HAVE BEEN REGULARLY REPORTING, HAS ALWAYS INCLUDED CONSTRUCTION.

5. THE NEW ORDERS INDEX IN ITS SEASONALLY ADJUSTED FORM

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PAGE 01 BONN 04534 02 OF 02 141738Z
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INFO OCT-01 EA-07 ISO-00 SP-02 USIA-06 AID-05 EB-08 NSC-05
TRSE-00 SS-15 STR-04 OMB-01 CEA-01 CIAE-00 COME-00
FRB-03 INR-07 NSAE-00 XMB-02 OPIC-03 LAB-04 SIL-01
L-03 H-01 PA-01 PRS-01 /093 W
-----141742Z 026344 /43

R 141720Z MAR 77
FM AMEMBASSY BONN
TO SECSTATE WASHDC 6469
INFO AMEMBASSY LONDON
AMEMBASSY PARIS
AMEMBASSY ROME
AMEMBASSY TOKYO
USMISSION EC BRUSSELS
USMISSION OECD PARIS
USMISSION USBERLIN
USMISSION NATO BRUSSELS
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LIMITED OFFICIAL USE SECTION 02 OF 02 BONN 04534

WOULD ALSO NORMALLY HAVE APPEARED BY THIS TIME. HOWEVER,
ACCORDING TO THE ECONOMICS MINISTRY OFFICIAL, THE BUNDES-
BANK WAS HAVING SEASONAL ADJUSTMENT PROBLEMS
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PAGE 02 BONN 04534 02 OF 02 141738Z

WITH THIS PARTICULAR SERIES. AS SOON AS IT IS AVAILABLE,
WE WILL TRANSMIT IT TO WASHINGTON. IN THE MEANTIME,
WE ARE TOLD THAT THE NON-SEASONALLY ADJUSTED NEW
ORDERS DATA REFLECT GOOD DEVELOPMENT.

6. PERTINENT TABLE FOLLOWS:

SEASONALLY ADJUSTED INDUSTRIAL PRODUCTION
(1970 EQUALS 100)

1976

JANUARY	108
FEBRUARY	110
MARCH	110
APRIL	111
MAY	111
JUNE	112
JULY	110
AUGUST	111
SEPTEMBER	113
OCTOBER	113
NOVEMBER	113
DECEMBER	114

1977

JANUARY	116
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: INDUSTRIAL PRODUCTION, DATA
Control Number: n/a
Copy: SINGLE
Sent Date: 14-Mar-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977BONN04534
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Drafter: n/a
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Executive Order: N/A
Errors: N/A
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From: BONN
Handling Restrictions: n/a
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ISecure: 1
Legacy Key: link1977/newtext/t19770364/aaaacedf.tel
Line Count: 204
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Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
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Original Classification: LIMITED OFFICIAL USE
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Page Count: 4
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Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
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Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3122440
Secure: OPEN
Status: NATIVE
Subject: JANUARY INDUSTRIAL PRODUCTION UP LIMITED OFFICIAL USE LIMITED OFFICIAL USE
TAGS: EFIN, GE
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/c28424b9-c288-dd11-92da-001cc4696bcc
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22 May 2009
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